



LIVERPOOL DISTRICT METHODIST CHURCH

TRUSTEES' ANNUAL REPORT AND ACCOUNTS YEAR ENDED 31 AUGUST 2017

Registered Charity No 1134011
49 Queens Drive
Liverpool
L18 2DT

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Liverpool District Methodist Church (Number 18)
Year Ended 31 August 2017

1 OBJECTIVES AND ACTIVITIES

In setting our objectives and planning our activities, the District Synod (under the leadership of the District Trustees) which meets twice in each year, has given careful consideration to the Charity Commissioners' general guidance on public benefit and, in particular, to its supplementary public benefit guidance on advancing our objectives and conforms to the Charities Act 2011.

Our mission is to be a powerful spiritual influence in the District and a visible expression of God's inclusive love. We aim to achieve this by encouraging, through the Circuits and the Churches in our District, the worship, social, and outreach activities that currently exist, and by seeking new ways to extend to others the fellowship of the Church family.

In particular the Liverpool District Methodist Church ("District"):

- supports the activities of the churches and circuits within the District by provision of various support services including training, development and evangelism.
- administers an ecumenical project to develop and facilitate Church Action on Sexual Abuse Issues ("CASA").
- supports the provision of a chaplaincy service to the universities in Liverpool.

2 ACHIEVEMENTS AND PERFORMANCE

The principal purpose of the District is to act as a supporting body between Circuits and the Connexion. The District does not seek and, in large measure, does not attain direct contact with the public. The direct contact is by Churches and Circuits and it is these that the District supports in their desire to provide benefit to the public.

Under the heading Collaborative arrangements with connected charities (3.3 below) there is information on how we obtained our funds. In this paragraph we show how they were spent. The money collected, or available for dissipation, was used as grants to support Churches and Circuits throughout the District with their work in their local communities and to subsidise the administrative costs of the District. In 2016-17 the District paid grants out of the General Fund and the DAF that totalled £125,805 which was greater than the sum received from the levies on some of the funds held by Circuits within the District. The deficit was met from District reserves.

The policy of the trustees on grant making is to ensure that all applications can demonstrate public benefit, pass a test of sustainability, show that there is commitment from the applicant organisation (e.g. the District grant is a minor part of the total funding) and show imagination and creativity as well as a perceived need for that for which the grant is being applied.

The grants were of several kinds, including:

- Grants to support Chaplaincy work across the three universities in Liverpool
- Grants which supported mission and outreach in Liverpool City Centre including the work of the "Bread church".
- Grants which supported mission and outreach in the deprived communities of inner city North and South Liverpool.
- Grants to support the mission and community work in Ellesmere Port town centre.

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- Grants to support the Hope Journey, an exciting, interactive and engaging way of partnering local churches and local schools in the delivery of certain areas of the Religious Education syllabus.

Circuits and Churches that have received grants from the District will show in their own Trustees' Annual Reports (where these are required to be prepared) details of the outcome of the activities undertaken as a result of receiving the grant.

The district is in covenant with other districts in the North West and Mann Region supported by the North West and Mann Learning Network. During the year, work has continued on developing links with other Districts, including joint training for probationer ministers and a support group for candidates for ministry.

We have been pleased to support candidates for ministry and the one probationer presbyter who serve in the District.

2.1 Plans for future years

- To support the work of the CASAI project, in particular given the continuing increase in activity. To seek safe and appropriate premises for project work.
- To develop a District mission plan as an effective tool for mission across the District.
- Ensure that all those within the District that should attend the Safeguarding Leadership Module do so.
- To support the work of the Skelmersdale Ecumenical Centre including validation of its constitutional and charitable status.
- Encourage children's and youth work across the District including support for attendance at 3Generate.
- Encourage initiatives for mission and evangelism in Circuits and Churches within the District.

3 FINANCIAL REVIEW

During the year the District received total income of £294k (2015-16: £280k) and dispersed £289k (2015-16 £245k). The resulting excess of income was added to by an unrealised gain of £12k (2015-16: £12k) on the restricted reserves and endowments to produce a net excess of income of £17k (2015-16: £47k) and total reserves carried forward of £914k (2015-16: £897k).

The unrestricted general account shows an improvement on the balanced budget due to lower manse repair and utility costs and lower ecumenical costs that were partially offset by higher safeguarding salary and related costs and the costs to support youth attendance at 3Generate 2017. There were no significant events during the year.

The trustees of the District have every reason to believe that the District is a going concern, principally because Circuits continue to meet their assessments and the District has adequate reserves to cover a shortfall in anticipated income. There are no subsidiary undertakings. Trustees do not foresee any factors that will significantly affect the financial performance or position in the next year or two.

The District continues to hold the one freehold property being the Chair's Manse in Queens Drive, Liverpool.

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3.1 Investment Policy and Performance

To comply with Methodist Standing Orders, monies for long term investment are lodged with the Trustees for Methodist Church Purposes (TMCP). TMCP acts as custodian trustee for all real estate held by Districts and for all large (over £20k) bequests and for the proceeds of sale of any property formerly owned by the District. These sums are invested in unitised investments or held on deposit. The investment returns are close to tracking the movements in the FTSE100 index. The deposit income mirrors the deposit rates available elsewhere. Liverpool District trustees' investment policy is aligned with that of the CFB and TMCP because these organisations take into consideration the social, environmental and ethical considerations, both negatively and positively, that make investments suitable for the Methodist Church.

Short term deposits are lodged directly with the Central Finance Board (CFB) and attract good rates of interest. There are no bench marks for the expected returns or appreciation on investments at TMCP and CFB. It is the District's policy to manage the cash and investment resources of the District so that a rate of return on investment – both by way of dividend and capital appreciation – is obtained at least as good as market rate considering the District's low appetite for risk.

3.2 Reserves level and policy

The District Reserves policy relates to our general (unrestricted) funds which are freely available to be used for any or all of the purposes of the District. The aims are:

- to secure and sustain the District's viability and future.
- to give reassurance to the general public that the District, which is a charity, intends to use all of the money coming into its care for the purposes of the charity.

The reserves held at the end of the year were as follows:

	£
<i>Unrestricted funds</i>	
General Fund	587,273
District Advance Fund	119,056
 <i>Designated funds</i>	
Training Fund	2,089
Mission Fund	<u>2,211</u>
<i>Total unrestricted funds</i>	<u>710,629</u>
 <i>Restricted funds</i>	
Overseas Students Dev Capital	142,417
Overseas Students Dev Revenue	11,339
Benevolence Fund	80
MWIB Liverpool District	11,094
CASAI	<u>4,064</u>
<i>Total restricted funds</i>	<u>168,994</u>
 <i>Total endowment funds</i>	 <u>34,455</u>
 <i>Total funds</i>	 <u>914,078</u>

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- follow applicable accounting standards
- prepare accounts to comply with the Charities SORP

The Trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the District and enables them to ensure that the financial statements comply with the law. They are also responsible for safeguarding the assets of the District and hence taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the District's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Training in the responsibilities of trustees is offered to all new trustees soon after their appointment.

4.1 Risk

The District is largely risk averse but, especially in making grants to entities embarking on new and imaginative initiatives, the District is prepared to underwrite considered risks. Risks are managed by being aware of them, quantifying their impact not only in cost terms but in possible reputational or structural damage, laying them off through an insurer and minimising them by not taking them or by setting up control systems that timeously report any significant change in the risk.

5 Structure, governance and management

The District is an unincorporated association and is governed by the Methodist Church Act 1976, the Deed of Union and the Model Trust Deeds of the Methodist Church and was registered with the Charity Commissioners on 1 February 2010.

5.1 Structure

Circuits are the coordinating charities for local groups of Churches; Circuits pay the stipends of the ministers and employ lay staff to serve the Churches in the Circuit; most decisions are made at or ratified by the half yearly Circuit Meeting. A District is the coordinating charity for a group of contiguous Circuits and makes its decisions at the half yearly synods. The Methodist Conference meets once each year as the supreme denominational body for all Methodist Churches.

- Overall regulatory authority rests with the Methodist Conference.
- The Connexional Office implements decisions made by Conference and is also responsible for the stationing of presbyters and deacons (collectively known as ministers) in individual Circuits within the District.
- Connexional decisions are passed to the Chair of the District and the appropriate officers of the District for implementation.
- The District passes control down to Circuit level for local implementation by the Superintendent Minister, ministerial staff and Circuit Stewards, and authority is delegated to the Circuit Meeting for certain matters.
- The Circuit Meeting passes regulatory control down to Church Councils for local implementation by the presbyter, the Church Stewards, and other officers, and this regulatory authority is then exercised by Church Councils as Managing Trustees of their charity.

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5.2 Purpose of the District

The District is an expression, over a wider geographical area than any Circuit, of the Connexional character of the Church.

The purposes of the Methodist Church are and shall be deemed to have been since the date of the union the advancement of:

- the Christian faith in accordance with the doctrinal standards and the discipline of the Methodist Church
- any charitable purposes for the time being of any connexional, District, Circuit, local or other organisation of the Methodist Church
- any charitable purpose for the time being of any society or institution subsidiary or ancillary to the Methodist Church
- any purpose for the time being of any charity being a charity subsidiary or ancillary of the Methodist Church.

The primary purpose of this District is to advance the mission of the Church in a geographical area from Southport in the north to Wirral in the south and including parts of Lancashire and Cheshire to the east.

- by providing opportunities for Circuits to work together and support each other
- by offering to Circuits resources of finance, personnel and expertise.

The District serves the Local Churches and Circuits and the Conference in the support, deployment and oversight of the various ministries of the Church, and in programmes of training.

5.3 Governance

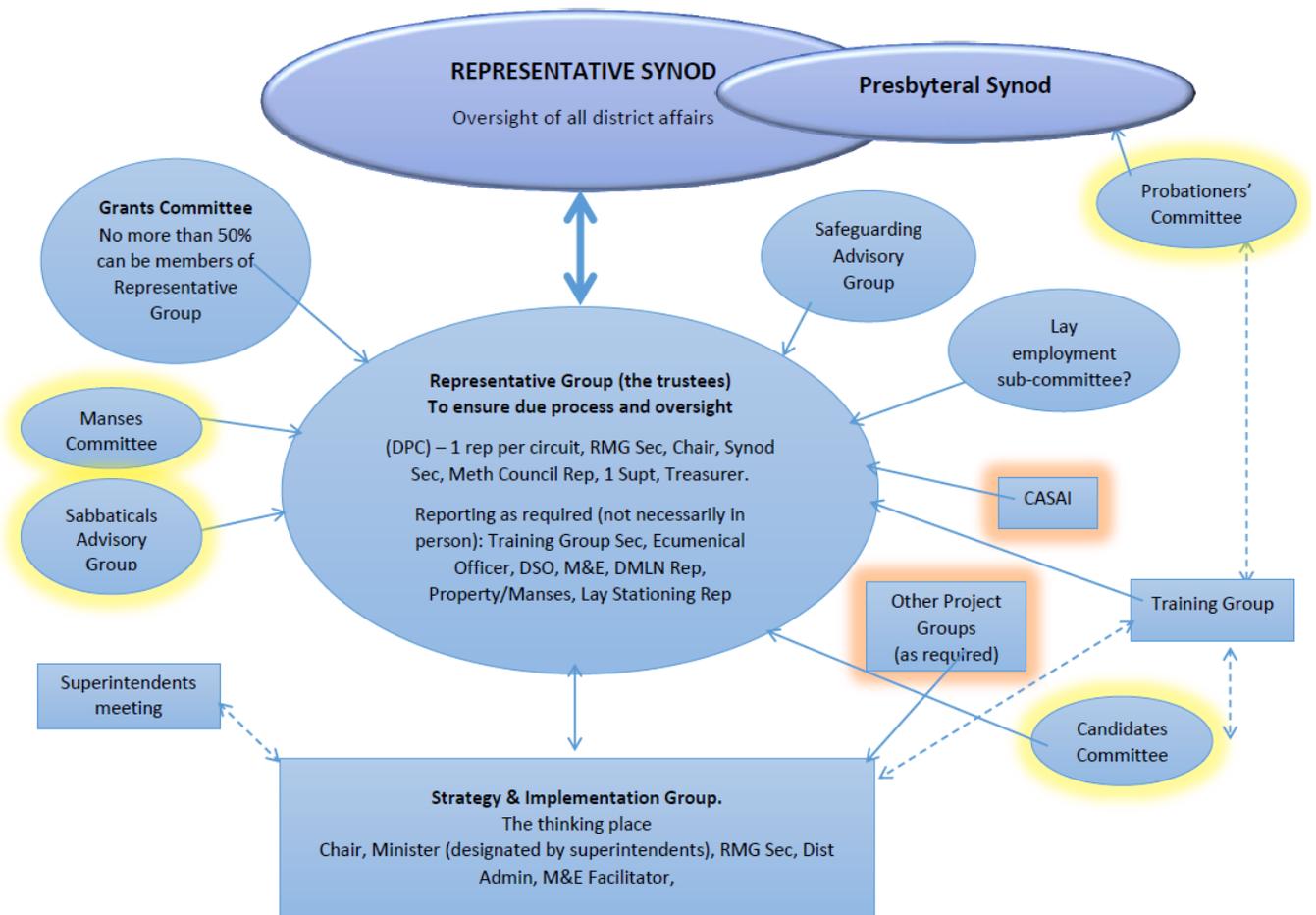
The District operates within a statutory framework of regulation and seeks to ensure that it follows Methodist Standing Orders. It relies on the Connexional Office at 25 Marylebone Road, London NW1 5JR to provide guidance on changes that could affect the District.

The members of the Resourcing Mission Group (RMG) are annually appointed by a vote of the Synod for a continuous term not normally exceeding six years. The Chair of District is *ex officio* chair of the RMG. When a position becomes vacant on the Resourcing Mission Group, nominations are invited from ministers and lay members of Circuits within the District. The Chair of the District then shares with nominees what the roles involve. If they wish to be considered for a role, their names and reasoned statements are taken to the Resourcing Mission Group and the District Synod for appointment. Members may be either ministers or lay people attending Churches in the area covered by the District.

The Resourcing Mission Group normally meets three times per year and deals with routine and exceptional matters. It oversees the work of the Grants Committee, finance, property, the District manse, stationing, safeguarding, the work of the Mission and Evangelism Facilitator, the work of the CASAI project development facilitator, the work of the Children and Youth Enabler, authorisations to preside at communion, and extensions to local preacher training.

The structure of committees within the District is shown in the chart overleaf.

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Year Ended 31 August 2017



5.4 Responsibilities of the Resourcing Mission Group

The responsibilities of the Resourcing Mission Group are:

- to formulate and promote policies which will advance the mission of the Church in the Circuits and local Churches and, in particular, to supervise the use of resources of personnel, property and finance and to assist local Churches and Circuits having exceptional problems
- to encourage inter-Circuit and ecumenical co-operation
- to act in an executive capacity in matters remitted by the Synod
- to keep within its purview all District concerns not dealt with elsewhere
- to contribute and respond, as the case may be, to the development of Connexional policies as reflected in the work of the Conference and the Methodist Council, and to carry out its other responsibilities with any such development in mind
- to be aware that the stipend of the Chair of the District is set – currently by reference to the change over a year in the Consumer Price Index and to the annual change in the Average Weekly Earnings Index – using a formula that was agreed by the Methodist Conference for all ministers within the Connexion
- to be constantly aware of the public benefit guidance issued by the Charity Commission

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Year Ended 31 August 2017**

6 REFERENCE AND ADMINISTRATION DETAILS

6.1 Charity Name

Liverpool District Methodist Church

6.2 Charity Registration Number

1134011, registered in England and Wales

6.3 Principal Office

49 Queens Drive
Liverpool
L18 2DT

E-mail mail@liverpoolmethodistdistrict.org.uk

Web Site www.liverpoolmethodistdistrict.org.uk

6.4 Chair of District

The Revd Dr Sheryl Anderson

6.5 Secretary of the Synod

Mr Stephen Cooper

6.6 Secretary of the Presbyteral Session of Synod

The Revd Lily Twist

6.7 Assistant Secretary of the Synod and Secretary of the Resourcing Mission Group

Mr Graham Pegg

6.8 District Treasurer

Mr David K Smith

6.9 Names of trustees

The following served as trustees throughout part or all of the year 2016-17 or were trustees at the time of this report being approved:

The Revd Caroline Ainger
The Revd Dr Sheryl Anderson
Mrs Anne Baldwin until 31 August 2017
Mr Stephen Cooper
Mr Ralph W Dransfield until 31 August 2017
Mr David Evans
The Revd Patrick Evans
Mr David Gane from 1 September 2017
Mr Iain S A Henderson until 31 August 2017
The Revd Ian Hu until 31 August 2017
Deacon Julie Hudson from 1 September 2017
The Revd Christine Jones until 31 August 2017
Mrs Heather Lovelady from 1 September 2017
Mr Graham Pegg
The Revd Ann Rigby-Jones until 31 August 2017
Mr Kenneth Sims until 31 August 2017

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Mr David K Smith
The Revd David Somerville
The Revd Michael Tindsley from 1 September 2017
The Revd Marcus Torchon until 31 August 2017
The Revd Lily Twist
Mr Stephen Twist from 1 September 2017
The Revd Martin J Wood until 31 August 2017

The Managing Trustees for the District are the members of the Resourcing Mission Group.
No trustee claims exemption from disclosure of his or her name here.

6.10 Chair's PA

Mrs Margaret Sadler

6.11 Bankers

HSBC plc
99 – 101 Lord Street
LIVERPOOL
L2 6PG

Central Finance Board of the Methodist Church
9 Bonhill Street
London
EC2A 4PE

6.12 Investment managers and custodian trustees

Trustees for Methodist Church Purposes
Central Buildings
Oldham Street
Manchester
M1 1JQ

6.13 Independent Examiner

Mr Keith Taylor FCA
12 Newholme Close
Liverpool
L12 0JG

Approvals

The Trustees' Report and the Financial Statements were approved by the Resourcing Mission Group (RMG) on 7 June 2018 having been presented to the Synod on 28 April 2018.

Signed on behalf of the RMG, as authorised:

Sheryl M Anderson (signed)

David K Smith (signed)

Rev Dr Sheryl M Anderson
District Chair

Date: 7 June 2018

David K Smith

District Treasurer

Date: 7 June 2018

Statement of Financial Activities (SOFA) for the year ended 31 August 2017

Notes to the accounts	General Fund (Unrestricted)	District Advance Fund (Unrestricted)	Designated Funds (Unrestricted)	Restricted Funds	Endowment Funds	Totals 2016-17	Totals 2015-16
	£	£	£	£	£	£	£
Incoming Resources							
Investments	540	757		4,318	844	6,459	6,784
Charitable activities	5	2,036		11,863		13,899	2,806
Assessment on circuits From Circuit Model Trust Funds	3	102,254				102,254	100,617
Contribution to the cost of the Chair			91,269			91,269	84,220
Connexional Advance & Property Fund	4	38,095				38,095	37,548
			42,062			42,062	48,853
Total	142,925	134,088		16,181	844	294,038	280,828
Expenditure on:							
Grants and Donations	6	24,700	101,105	1,854		127,659	97,444
Salaries and associated costs	7	80,718		23,772		104,490	98,375
Property costs	8	3,733		2,381		6,114	8,422
Office Expenses	9	3,800	262	5,382	52	9,496	10,229
Synods, committees, conferences	10	16,574		4,114	4,081	24,769	20,583
Other Outgoings	11	9,021		7,970		16,991	10,727
Total	138,546	101,367	12,084	37,470	52	289,519	245,780
Net income / (expenditure)	4,379	32,721	(12,084)	(21,289)	792	4,519	35,048
Transfers between funds	13	2,000	(42,940)	8,940	32,791	(791)	
		6,379	(10,219)	(3,144)	11,502	1	4,519
							35,048
Other recognised gains / (losses):							
Gains and losses on investment assets				9,888	1,943	11,831	11,980
Net movement in funds	6,379	(10,219)	(3,144)	21,390	1,944	16,350	47,028
Reconciliation of funds:							
Total funds brought forward	580,894	129,275	7,444	147,604	32,511	897,728	850,700
Total funds carried forward	587,273	119,056	4,300	168,994	34,455	914,078	897,728

LIVERPOOL DISTRICT METHODIST CHURCH

Number 18

Balance Sheet as at 31 August 2017

	Notes to the accounts	General Fund (Unrestricted) £	District Advance Fund (Unrestricted) £	Designated Funds (Unrestricted) £	Restricted Funds £	Endowment Funds £	Total 2017 £	Total 2016 £
Tangible Fixed Assets								
Manse and other property	14	458,855					458,855	458,855
Investments					142,418	28,025	170,443	158,612
Total fixed assets		458,855			142,418	28,025	629,298	617,467
Current Assets								
Debtors and Prepayments Central Finance Board and Trustees for Methodist	15	53,291					53,291	54,315
Church Purposes Deposits	17	60,675	119,056	4,300	15,529	6,430	205,990	230,129
Cash at Bank and in hand		26,384			11,154		37,538	39,625
Total current assets		140,350	119,056	4,300	26,683	6,430	296,819	324,069
Current liabilities								
Creditors and Accruals (due in under 1 year)	18	11,932			107		12,039	43,808
Net current assets/liabilities		128,418	119,056	4,300	26,576	6,430	284,780	280,261
Total assets less current liabilities		587,273	119,056	4,300	168,994	34,455	914,078	897,728
Net assets		587,273	119,056	4,300	168,994	34,455	914,078	897,728
Funds of the District								
General Fund (Unrestricted)	20	587,273					587,273	580,894
District Advance Fund (Unrestricted)	19		119,056				119,056	129,275
Designated Funds (Unrestricted)	20			4,300			4,300	7,444
Total unrestricted funds		587,273	119,056	4,300			710,629	717,613
Restricted Funds	21				168,994		168,994	147,604
Endowment Funds						34,455	34,455	32,511
Total Funds		587,273	119,056	4,300	168,994	34,455	914,078	897,728

Liverpool District Methodist Church (Number 18)
Notes to the Accounts For The Year Ended 31 August 2017

1 Accounting framework and accounting policies

i Accounting framework

The financial statements have been prepared under the Charities Act 2011 in accordance with the 2014 version of *Accounting and Reporting by Charities: Statement of Recommended Practice (SORP)* applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective from 1 January 2015) – (the Charities SORP (FRS 102) as amended by Update Bulletin 1) – in replacement for the SORP’s 2005 version specified in its related 2008 Regulations and in accordance with the “true and fair override” provision contained therein.

ii Public benefit entity

The Liverpool District Methodist Church (“District”) meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s) below.

iii Basis

These accounts have been prepared on the basis of historical cost except that investments are shown at their market value at the end of the year, on the accruals basis to show a true and fair view of the District’s financial position and activities.

iv Content

The financial information presented is relevant, reliable, comparable and complete. Where estimates are used these are based on experience, research and judgement. The accounts are expressed in £Sterling, rounded to the nearest pound.

v Going concern

Based on the monetary assets and human resources available at 31 August 2017, the trustees believe that the District is a going concern.

vi Consolidation

The District oversees the work of ministers and lay workers in Churches and Circuits within the District but does not have control over those Circuits or Churches, ministers or lay workers except in extreme circumstances, none of which were applicable. For this reason, the financial statements of the Churches and Circuits within the District are not consolidated into these financial statements.

vii Income recognition

Income is brought into account when it is more likely than not that the economic benefit of the income will accrue to the District. No attempt is made to measure the value of services donated by volunteers. Details of how the contribution to the cost of the District Chair has been determined appear in Note 5. A similar figure appears in the Expenditure at Note 8.

Individual amounts categorised as *Other income* in the SOFA will be shown separately if they are considered material.

The District acts as agent in four matters:

- the collection of quarterly assessments from circuits which are paid to the Methodist Church Fund
- the payment of expenses of delegates from the District to the Methodist Conference

Liverpool District Methodist Church (Number 18)
Notes to the Accounts For The Year Ended 31 August 2017

- the collection taken at the spring synod on behalf of the Methodist Minsters' Children's Relief Fund
- the payment of salary to the Safeguarding Officer on behalf of the Wirral Methodist Circuit.

In all these matters the transactions are not reflected in the SOFA because there is no obligation on the District to make up any shortfall in assessments from Circuits. Sums received as Circuit assessments cannot be recognised as income in the District as they are the income of the Methodist Church Fund

In accordance with the Charities SORP (FRS 102), the time of volunteers is not recognised. Further information on this matter is provided in the Trustees' Annual Report.

viii Expenditure

This is recognised when a liability is incurred, or a constructive obligation arises, that results in the payment being unavoidable. Liabilities are recognised as soon as an outflow of economic benefit is considered more likely than not under the legal or constructive obligation committing the District to pay out resources.

ix Grants

Grants are recognised annually only as and when any performance conditions attaching to the award are met, even when the award is for a recurrent grant over more than one year. All grants awarded for payment in future financial years are conditional on the Grants Committee being satisfied, on the basis of progress reports from the grantee, that the grant's achievements to date justify the payment of further instalments of that grant. Such commitments are noted as contingent liabilities as shown in Note 27 in these accounts.

x VAT

Since the District is not VAT registered, all input VAT is charged with the expenses to which it refers.

xi Tangible fixed assets

These are capitalised if they can be used for more than one year, and individually cost at least £1,000. The freehold property is shown in the accounts at 2015 deemed values, of which the land component is deemed to be £150,000. No depreciation is provided on the building because the trustees consider the current residual fair value of the manse building (on the assumption that it had reached the end of its useful economic life by the year-end) to be not less than its cost to date. The property has been reviewed for impairment.

xii Investments

The investments of the District are held by the Trustees for Methodist Church Purposes (TMCP) as custodian trustees. The valuations, at market value, are those provided by TMCP. The unrealised gains arising on investments at the end of the year are shown in the SOFA and in Note 22 below.

xiii Receivables and Payables; Bank and Cash

Debtors are stated at the amounts owed to the District or prepaid. Creditors are initially recognised at settlement amount after any trade discounts, where normal credit terms apply, or amount advanced to the District. Subsequently creditors that are current liabilities are measured at the cash or other consideration expected to be paid. The liquid funds of bank balances and deposit account balances are shown at the realisable values.

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Notes to the Accounts For The Year Ended 31 August 2017

xiv Methodist Church Fund

The District acts as agent for the Methodist Church Fund (MCF) by collecting its assessments on Circuits and does not, therefore, include the assessments in the SOFA. If a Circuit is late in paying its MCF assessment to the District but such sum is received before the quarterly transfer to the MCF, the amount paid late will be shown as a debtor in the District's accounts.

xv Transition to FRS 102

Other than the reclassification of expenditure between categories (Note 3), and restatement of the comparative figure for opening funds of the prior year in respect of the change of accounting policy by accrual of unpaid instalments of multi-year grants (Note 20), no restatement of items has been required in making the transition to FRS 102 section 1A.

2 Glossary of terms

CASAI: A District project on Churches Action on Sexual Abuse Issues

CFB: Central Finance Board of the Methodist Church manages a Common Deposit Fund and a series of pooled investment funds for Methodist entities in Great Britain and provides investment advice to those entities

Church: a group of members from fewer than 10 to more than 300

Circuit: a group of Methodist Churches near each other

CMTF: Circuit Model Trust Fund

Connexion: The Methodist Church in GB which includes the Head Office at Methodist Church House, all Methodist Districts, Circuits and Churches in Great Britain

District: a group of contiguous Circuits

DAF: District Advance Fund

FRS: Financial Reporting Standard

MCF: Methodist Church Fund

MMPS: Methodist Ministers' Pension Scheme

MWIB: Methodist Women in Britain (Liverpool District)

RMG: Resourcing Mission Group. The policy committee of the District

SOFA: Statement of Financial Activities

SORP: Statement of Recommended Practice

TCC: Transforming Church and Communities

TMCP: Trustees for Methodist Church Purposes, the legal owner and Custodian Trustee of all Methodist Model Trust property, including Legacies, Endowments and Accumulated Funds

Liverpool District Methodist Church (Number 18)
Notes to the Accounts For The Year Ended 31 August 2017

3 Assessments on Circuits

The District is made up of the following Circuits:

- 18-1 Liverpool North
- 18-3 Liverpool North Central
- 18-4 Liverpool City Centre
- 18-5 Liverpool South
- 18-8 Crosby
- 18-9 Wirral
- 18-13 Sankey Valley
- 18-17 Southport
- 18-19 Lancashire West

All Circuits paid their assessments to the District and to the MCF during the year or shortly after its end. An assessment on Circuits is annually determined by Districts by reference to the number of staff in the Circuits, the number of Church members and attendances and the Circuit's net income.

Contributions to the Methodist Church Fund (MCF)

In addition to the assessments on the Circuits to help defray the costs of running the District, the District acted as agent for the Methodist Church Fund which levied assessments on the Circuits in this District totalling £380,870 (2015-16: £363,201) all of which were collected or shown as debtors at the end of the year and paid over to the MCF in the year. No balance was held at the end of the year; no fee is received for this service which is performed at nearly nil cost to the District. These sums collected for and remitted to the MCF do not appear elsewhere in these financial statements.

4 Cost of Chair and trustees

The Chair of District chairs meetings of the Resourcing Mission Group (RMG). The members of the RMG are the trustees of the District. The stipend, employer's NIC and employer's pension contributions of the Chair of District are paid by the Methodist Connexion. The Chair's other costs are met mostly by the District.

	2016-17	2015-16
	£	£
Stipend of Chair of District, Rev Sheryl Anderson	28,980	28,575
Employer's National Insurance contributions	2,880	2,824
Employer's pension contributions	6,235	6,149
<i>Cash cost paid by the Connexion (see SOFA)</i>	<i>38,095</i>	<i>37,548</i>
Notional estimate of cost of providing manse	12,000	12,000
Chair's expenses	2,719	3,537
Total cost	52,814	53,085

Since the stipend-related costs above (*i.e.* £38,095; 2015-16 £37,548) are borne by the Connexion, they appear both in the Income of the District and the Expenditure of the District (See Note 7). It should be noted that the chair is required to occupy the District manse. The manse is provided by the District and the District maintains the property. The sum of £12,000 (2015-16: £12,000) was determined by enquiry of local letting agents and does not appear elsewhere in these accounts. The Chair of District is the sole paid key management person but is supported by members of the RMG.

Liverpool District Methodist Church (Number 18)
Notes to the Accounts For The Year Ended 31 August 2017

No accrual is made for the Chair's entitlement to a sabbatical as her functions are undertaken by a Deputy Chair at minimal extra cost to the District.

Payments to trustees

It is District policy to offer to reimburse members of the Resourcing Mission Group and others involved in the administration of District affairs for expenditure properly incurred in carrying out their duties. The Chair of the District undertakes the primary executive role within the District. Apart from the Chair of District no member of the Resourcing Mission Group was in receipt of any payment for work undertaken on behalf of the District, although certain travelling and administration costs were reimbursed whenever this was requested.

None of the trustees is an employee of the District. Travel expenses have been reimbursed to some four (2015-16: four) trustees (members of the Resourcing Mission Group (RMG)) who, in aggregate, have received the cost of travel incurred in attending meetings of the District and this amounted to £1,206 (2015-16: £1,141).

5 Other income

The District does not undertake fundraising.

The District received £2,037 (2015-16: Nil) from the Methodist Church North West Training Forum, being the first of three annual payments to support the work of a children and youth work enabler.

Methodist Women in Britain Liverpool District ("MWIB Liverpool District") invites donations from churches and circuits within the District for projects of concern including one specific project each year. During the year £10,568 (2015-16: £1,305) was received.

Each year the District Synod invites donations from the members of synod for the Methodist Ministers' Children's Relief Association. The amount donated and paid over in the year was £262 (2015-16: £276).

6 Grants and donations and related support costs

Grants and donations totalling £127,659 were made during the year (2015-16: £97,444).

	2016-17	2015-16
	£	£
From General Fund to Liverpool Universities chaplaincy	24,700	24,700
From DAF (see Note 19)	101,105	69,300
From Overseas Students Development Fund	-	500
From MWIB Liverpool District	1,000	2,094
From Benevolent Fund	854	850
Total	127,659	97,444

Details of the recipients of grants paid by the District during the year may be found on the District Advance Fund report.

Expenditure on charitable activities through the District Advance Fund

This fund receives formulaically determined contributions from the Circuit Model Trust Funds held by Circuits within the District and redistributes the monies to grantees in the

Liverpool District Methodist Church (Number 18)
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District through relevant grants as assessed by the District Grants Committee. During the year the following grants were made:

To	£		For	£
Churches	39,183		Projects	-
Circuits	61,922		Ministry	144,045
<i>Institutions</i>	<i>101,105</i>			
Liverpool District	42,940			
Total	144,045			144,045

The income of the fund was £133,826 (net of costs) during the year, some £10,219 in deficit of the total paid out in grants in the year. This deficit was taken from reserves. The Grants Committee is aware that grant applications must demonstrate public benefit. The support costs for grant-funding to third parties are insignificant (principally because the secretary of the Grants Committee is a volunteer and undertakes the vast majority of this work) and are not separately disclosed.

7 Salaries and associated costs

Gross salaries paid to one full time (2015-16: one) and four part time (2015-16: three) employees were as follows:

	2016-17	2015-16
	£	£
Gross pay	58,113	55,159
Employer's National Insurance contributions	3,307	558
Employer's pension contributions to defined contribution schemes	4,975	5,110
Total costs of 5 staff	66,395	60,827
Cost of Chair (see Note 4)	38,095	37,548
Total staff costs	104,490	98,375
Total weekly contractual hours for 4 staff	89	84

No employees received employee benefits that totalled more than £60,000. There is no accrual for holiday pay as it is immaterial; the holiday year ends on 31 August. All staff are paid at or above the living wage.

The full time employee is a facilitator in sexual abuse issues. Of the four part time employees; one is a Methodist minister engaged to develop and facilitate mission and evangelism, one is a children and youth work enabler, another is engaged exclusively in safeguarding matters, whilst the other employee provides PA and administrative assistance to the District Chair.

Pensions

Most ordained presbyters and deacons are members of the Methodist Ministers' Pension Scheme (MMPS). This is a defined benefit scheme. The Supreme Court held in 2014 that Methodist ministers (which term includes presbyters and deacons) are not employees of the Church. For simplicity, however, when dealing with National Insurance Contributions and pension contributions, the terms 'employer' and 'employee' are used as they would be in an employing body.

Liverpool District Methodist Church (Number 18)
Notes to the Accounts For The Year Ended 31 August 2017

On the other hand lay employees are contractually employees and may have the option of joining The Pensions Trust in accordance with Auto-enrolment legislation.

The Connexion accounts for the MMPS pension scheme and shows the figures in the annual Methodist Church in Great Britain accounts. The MMPS is in deficit but a plan for removal of the deficit has been proposed and is being implemented. Details of the deficit on this scheme can be found in the Annual Report and Accounts of The Methodist Church at www.methodist.org.uk

8 Property costs

	2016-17	2015-16
	£	£
Chair's manse repairs	679	1,963
Council tax and water rates	1,498	1,994
Insurance	1,556	1,465
Total charged to General Fund	3,733	5,422
CASAI office, rent and services	2,381	3,000
Total charged to CASAI Restricted Fund	2,381	3,000
Total	6,114	8,422

Manse repair costs were low for the second successive year following previous years of higher expenditure when a new Chair of District was engaged and a short vacant period allowed for maintenance work to be carried out.

The CASAI office was closed during the year. A new office space is currently being sought.

9 Office expenses

	2016-17	2015-16
	£	£
Printing, postage and stationery	1,103	2,811
Telephone	2,519	2,067
Staff training	-	535
Safeguarding	178	344
Total charged to General Fund	3,800	5,757
TMCP charges	262	163
Total charged to District Advance Fund	262	163
MWIB Printing, postage and stationery	322	
Total charged to MWIB Restricted Fund	322	
CASAI Printing, postage and stationery	228	655
CASAI Telephone	2,276	1,602
CASAI Training and supervision	2,291	1,760
Total charged to CASAI Restricted Fund	4,795	4,017
TMCP charges	265	245
Total charged to Students Dev Restricted Fund	265	245

Liverpool District Methodist Church (Number 18)
Notes to the Accounts For The Year Ended 31 August 2017

TMCP charges	52	47
Total charged to Endowment Funds	52	47
Total	9,496	10,229

Office expenses (General Fund) have decreased on last year's much higher costs. CASAI expenses (Restricted Fund) have increased again due to continuing high levels of work activity.

10 Synods, Committees, Conference

	2016-17	2015-16
	£	£
Synod expenses	1,864	1,041
Conference	-	165
Committees	1,030	1,145
3Generate	6,620	-
Chair's travel	2,719	3,537
Mission and evangelism facilitator travel	2,362	2,945
Safeguarding officer travel	1,271	1,843
Other	708	1,758
Total charged to General Fund	16,574	12,434
Training (charged to Designated Fund)	4,114	2,082
Total charged to Designated Fund	4,114	2,082
CASAI travel	3,557	4,308
CASAI other	524	1,759
Total charged to CASAI Restricted Fund	4,081	6,067
Total	24,769	20,583

3Generate are the costs to support young people in the circuits to attend the 3Generate Methodist church youth event in Southport in November 2017.

None of the remaining individual amounts – aggregated as 'Other' above - is considered material and none is listed separately.

Liverpool District Methodist Church (Number 18)
Notes to the Accounts For The Year Ended 31 August 2017

11 Other outgoings

	2016-17	2015-16
	£	£
Churches Together Merseyside Region	5,147	6,863
Mission in the Economy	3,564	3,564
Churches Together in Cheshire	310	300
Total charged to General Fund	9,021	10,727
TCC contribution (charged to Mission Designated Fund)	7,970	
Total charged to Mission Fund	7,970	
Total	16,991	10,727

12 Investment management

During the year the District paid £579 to TMCP, the custodians of the District's investments (District Advance Fund, Overseas Student Development Fund and various endowment funds (2015-16: £455). The sum of £579 was levied at 0.2% on the value of the funds at the end of the year and is shown as allocated to the three groups of funds: £262, £265 and £52. See Note 9 above.

13 Transfers between funds

During the year funds were withdrawn from the District Advance Fund being £21,000 to contribute to the funding of the work of the Mission and Evangelism development facilitator and £5,940 to support costs in engaging TCC for mission support work in the District. In addition £16,000 was transferred from general funds and £16,000 was withdrawn from the District Advance Fund for the work of the CASAI project. In addition £3,000 was transferred from General account to a designated training account.

14 Manse and other property

The value of the District manse in Queens Drive, Liverpool is shown in the accounts at 2015 deemed values, of which the land component is deemed to be £150,000. There is no depreciation on the manse as the impairment review at the end of the year confirmed that the current residual market value of the building was greater than the carrying value of that part of the asset's cost to date.

	Land	Buildings	Total
	£	£	£
Cost or valuation			
Balance brought forward at 1 September, at cost	150,000	308,855	458,855
Balance carried forward at 31 August 2017	150,000	308,855	458,855

Liverpool District Methodist Church (Number 18)
Notes to the Accounts For The Year Ended 31 August 2017

15 Debtors and prepayments

Debtors were made up as follows:		
	2016-17	2015-16
	£	£
Trade debtors		
Circuit assessments received late	11,532	12,345
Methodist Church DDE Expenses	30,701*	30,701
Methodist Church Conference expenses	313	2,431
	42,546	45,477
Prepayments and accrued income		
Payments in advance	10,745	8,838
	10,745	8,838
Total (net)	53,291	54,315

With the exception of items marked thus (*) all sums shown as Debtors at 1 September 2016 were received during the following year. All sums paid in advance at 1 September 2016 were for activities that have been held during 2016-17. Similarly, it is expected that payments in advance at 1 September 2017 will be expensed in 2017-18.

16 Trustees for Methodist Church Purposes

The funds that support the District Advance Fund and the Overseas Students Development Fund are held by TMCP in Trustees Interest Funds on which interest is credited to the accounts each month. These are regarded as medium and long term investments.

TMCP is the legal owner and Custodian Trustee of all Methodist Model Trust property, including Legacies, Endowments and Accumulated Funds. Trust property is held for and on behalf of local Managing Trustees who are responsible for the day to day management of trust property. TMCP ensure that, through providing guidance and acting under their direction, the Managing Trustees comply with charity law and Methodist law and policy as determined by the Methodist Conference.

17 Central Finance Board (CFB) and Cash at Bank

The District has three current accounts at HSBC plc, an authorised institution. The sums held on those accounts are immediately available. In addition the District has seven deposit accounts at CFB, a common deposit fund. Interest is earned on these accounts and credited monthly; the sums deposited can be withdrawn without notice and without loss of interest. These sums are viewed as being liquid.

Liverpool District Methodist Church (Number 18)
Notes to the Accounts For The Year Ended 31 August 2017

18 Creditors and accrued expenses

Creditors were made up as follows:	2016-17	2015-16
	£	£
Trade creditors		
Methodist Church fund assessments	-	33,407
Circuit assessments overpaid	2,667*	2,667
<i>Total trade creditors</i>	<i>2,667</i>	<i>36,074</i>
Various accruals	5,012	5,993
<i>Total Accruals:</i>	<i>5,012</i>	<i>5,993</i>
PAYE and pension contributions	4,360	1,741
<i>Taxation and Social Security</i>	<i>4,360</i>	<i>1,741</i>
Total	12,039	43,808

Maturity analysis of financial liabilities				
	Accrued at		Accrual made	Accrued at
	01-Sep-16	Paid in year	in year	31-Aug-17
Trade creditors				
Methodist Church fund assessments	33,407	33,407	-	-
Circuit assessments overpaid	2,667	-	-	2,667
<i>Total trade creditors</i>	<i>36,074</i>	<i>33,407</i>	<i>-</i>	<i>2,667</i>
Various accruals	5,993	1,942	961	5,012
<i>Total Accruals:</i>	<i>5,993</i>	<i>1,942</i>	<i>961</i>	<i>5,012</i>
PAYE and pension contributions	1,741	722	3,341	4,360
<i>Taxation and Social Security</i>	<i>1,741</i>	<i>722</i>	<i>3,341</i>	<i>4,360</i>
Total	43,808	36,071	4,302	12,039

With the exception of items marked thus (*) all sums shown as Creditors at 1 September 2016 were paid during the following year. It is expected that all sums accrued at 31 August 2017 will be paid during the year to 31 August 2018.

19 Grant Commitments and the District Advance Fund

Expenditure on charitable activities: District Advance Fund

Where grants are payable in annual instalments it is necessary for the grantee to provide a satisfactory report on the achievements of activities funded by previous instalments of the multi-year grant award before any further instalments will be paid. The commitment for unpaid grant amounts £113,384 (2015-16 £124,929) as covered by the DAF is shown as a contingent liability.

This total of anticipated grants is comfortably within the balance of £119,055 in the DAF as at 31 August 2017. The award of a grant by the District does not create a contractual relationship. No institution received grants of such materiality that they should be separately disclosed in these accounts.

Liverpool District Methodist Church (Number 18)
Notes to the Accounts For The Year Ended 31 August 2017

20 Unrestricted Funds

20.1 General Fund – balance £587,273 at 31 August 2017 (2016: £580,894)

The purpose of the fund is for use at the discretion of the trustees in the furtherance of the general objectives of the District and which have not been designated for other purposes. About 80% of this fund is held as a freehold property, the District manse for the Chair of District. During the year £24,700 was paid out as grants and donations from the General Fund.

20.2 Other Designated Funds – balance £4,300 at 31 August 2017 (2016: £7,444)

These funds are to serve specific purposes but are not restricted by any document or deed to that purpose alone. These funds comprise:

The Training Fund – balance £2,089 (2016: £3,202) is available to meet some of the training costs of ministers and lay people within the District. Total expenditure in the year was £4,114.

The Mission Fund – balance £2,211 (2016: £4,241) is available to meet some of the specific mission project costs of circuits or churches within the District. Total expenditure in the year was £7,970 with a transfer in of £5,970 from the District Advance Fund.

21 Restricted Funds - balance £168,994 at 31 August 2017 (2016: £147,604)

The Overseas Students Development Fund, a restricted fund, exists to support international students, studying in Liverpool, who face financial hardship. A capital amount, £142,417 at 31 August 2017, is invested to provide income to support the purposes of the fund.

This is made up as follows:	2017: £	2016: £
CFB Managed Mixed Fund	142,417	132,530
Total	142,417	132,530

The Revenue account – balance £11,339 (2016: £7,316) provides grants to students as recommended by Chaplains at the Liverpool Universities. Total expenditure in the year was nil.

The Methodist Women in Britain Liverpool District account – balance £11,094 (2016: £1,848) is prepared and controlled independently making donations to projects at home and overseas. Total income in the year was £11,094 and expenditure was £1,322.

The Benevolent Fund – balance £80 (2016: overdrawn £116) makes specific donations to individuals or communities in need. Total expenditure in the year was £854.

The CASAI Fund – balance £4,064 (2016: £6,026) is a project that seeks and facilitates actions on issues of sexual abuse. Following the issue of the Methodist Church Past Cases review in 2015 work activity increased significantly which has continued in the year. Total income in the year was £33,067 (2015-16 £33,053) and expenditure was £35,029 (2015-16 £35,579).

The market valuations for the Overseas Students Development Fund have been provided by TMCP. The funds of the Benevolence Fund and CASAI project are held on deposit at CFB.

Liverpool District Methodist Church (Number 18)
Notes to the Accounts For The Year Ended 31 August 2017

22 Summary of movements on significant individual funds

	Balance at					Balance at
Fund	01-Sep-16	Income	Expenditure	Transfers	Gains/ Losses	31-Aug-17
	£	£	£	£	£	£
General Fund	580,894	142,925	(138,546)	2,000		587,273
District Advance Fund (Designated)	129,275	134,088	(101,367)	(42,940)		119,056
Training (Designated)	3,203		(4,114)	3,000		2,089
Mission (Designated)	4,241		(7,970)	5,940		2,211
<i>Total other designated</i>	<i>7,444</i>		<i>(12,084)</i>	<i>8,940</i>		<i>4,300</i>
Total unrestricted	717,613	277,013	(251,997)	(32,000)		710,629
Overseas students Dev Fund Capital	132,530	4,287	(265)	(4,023)	9,888	142,417
Overseas students Revenue (Restricted)	7,316			4,023		11,339
Benevolence (Restricted)	(116)	259	(854)	791		80
MWIB Liverpool District	1,848	10,568	(1,322)			11,094
CASAI	6,026	1,067	(35,029)	32,000		4,064
Total restricted	147,604	16,181	(37,470)	32,791	9,888	168,994
Powell Fund	6,429	1	-	-	-	6,430
T A Turney Benevolent Fund (Trust 10343)	3,400	110	(7)	(103)	253	3,653
Edgar W P Meredith Trust (Trust 7942)	18,228	589	(37)	(552)	1,360	19,588
Various Charities Trust (Trust 849)	1,606	52	(3)	(49)	117	1,723
Jas Gilkes Bequest Trust (Trust 2561)	1,296	42	(3)	(39)	97	1,393
Wm Ashcroft Memorial (Trust 1221)	1,000	32	(2)	(30)	75	1,075
Other	552	18	-	(18)	41	593
Total endowment	32,511	844	(52)	(791)	1,943	34,455
Total Funds	897,728	294,038	(289,519)	0	11,831	914,078

Liverpool District Methodist Church (Number 18)
Notes to the Accounts For The Year Ended 31 August 2017

23 Connected organisations and related parties

All of the District trustees are members of one or another Church and Circuit within the District and may be trustees in their Churches and/or Circuits.

Connected organisations include the Methodist Connexion, Circuits and Churches within the District, North West Training Forum, other Methodist Districts in Great Britain, the Methodist Ministers' Children's Relief Association, CFB and TMCP, except as reported in Note 5. All of these entities have their own trustees or directors and autonomous administration such that Liverpool District has no significant influence over any of them, nor they over Liverpool District. They are, therefore, not considered related parties.

Names of Connected Organisations	Receipts £	Payments £
Donee: Methodist Church Fund		(380,870)
Donee: Methodist Ministers' Children's Relief Association	262	(262)
Donor: Circuits within Liverpool District (assessments on Circuits}	380,870	
Donor: NW Training Forum	2,037	
Donor/Donee: Circuits within Liverpool District (levies/grants)	91,269	(61,922)
Donor/Donee: Churches within Liverpool District (grants)		(39,183)

There were no related party transactions.

24 Volunteer contributions

Every entity (Connexion, District, Circuit, and Church) within the Methodist Church in GB is heavily reliant on volunteers who contribute their skills, time and money in the furtherance of the work of the Church. Principally this contribution is by serving on committees of the District that deal with mission, manse, finance, policy, grants, training, development. We are grateful to all of them for their help and commitment.

25 Capital commitments and contingent liabilities

There were no capital commitments at the year end (2015-16: nil).

There were contingent liabilities in respect of grants awarded to Circuits within the District at 31st August 2016 these amounted to £113,384 (2015-16 £124,929).

26 Lease commitments

The District has no lease commitments

27 Independent examiner

No accrual has been made for the fee of the independent examiner who has provided his services free of charge (2015-16: Nil). The independent examiner provided no additional services during the year.

Liverpool District Methodist Church (Number 18)

Basis of Independent Examiner's Report

My examination was carried out in accordance with the general directions given by the Charity Commission. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts with those records. It also includes consideration of any unusual items, in nature or scale, or disclosures in the accounts, seeking explanations from the trustees concerning such matters. The procedures undertaken do not provide all the evidence that would be required in an audit and, consequently, no opinion is given as to whether the accounts present a true and fair view. My report is limited to those matters set out in the statement below.

Independent Examiner's Statement

In connection with my examination, no matter has come to my attention (other than as disclosed below*)

(1) which gives me reasonable cause to believe that in any material respect the requirements

- to keep accounting records in accordance with section 130 of the Charities Act 2011
- to prepare accounts which accord with the accounting records and comply with the accounting requirements of the Charities Act 2011

have not been met, or

(2) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.

(3) I have not obtained independent verification of all investments with the Trustees for Methodist Church Purposes or held in other trusts, bank balances and funds at the Central Finance Board of the Methodist Church which are individually in excess of £10,000 (ten thousand pounds) at the balance sheet date.

Signature of independent examiner.....Keith Taylor.....

Name of independent examiner ...**MR KEITH TAYLOR**.....

Relevant professional qualification of independent examiner ...**FCA**.....

Address ...**12 NEWHOLME CLOSE, LIVERPOOL L12 0JG**.....

Date1 June 2018.....